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GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
KEITH W. COOLEY, DIRECTOR

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COMMISSIONER

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ALL MICHIGAN LICENSEES

RE: Viatical and/or Life Settlement Licensure

Lately, OFIR has been receiving inquiries regarding licensure of life settlement or viatical settlement products.

At the present time, there are no license requirements for the solicitation, sale or negotiation of viatical settlement or life settlement products in Michigan. Since these are insurance product derivatives, a life insurance license is required to sell life products. Licensed insurance producers who will solicit, sell or negotiate these products must have an active license and a Life qualification.

While there is no separate licensing requirement in this insurance industry segment, OFIR urges caution. As insurance licensees, you must be aware of disclosure provisions in PA 386 of 1996, MCL 550.52. This law was enacted to regulate the sale and purchase of viatical settlement contracts by viatical providers.

By reviewing and understanding this law, you will make certain that as the licensed producer, you are doing business with a reputable provider. Further, you will know that the provider is in compliance with the laws in Michigan. After all, these are your clients, and you owe a duty to be honest and trustworthy with them in the conduct of insurance business.

Link to PA 386 of 1996:

[http://www.legislature.mi.gov/\(S\(te41jdg5vw4x5y3xyx1st2jx\)\)/mileg.aspx?page=getObject&objectName=mcl-Act-386-of-1996](http://www.legislature.mi.gov/(S(te41jdg5vw4x5y3xyx1st2jx))/mileg.aspx?page=getObject&objectName=mcl-Act-386-of-1996)

Sincerely,

Sonya W. Dungey  
Director of Licensing